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UNITED STATES DEPARTMENT OF AGRICULTURE BUREAU OF AGRICULTURAL ECONOMICS



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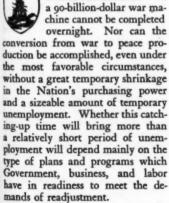
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- Editorial Note: IN THIS the first number to be prepared after the termination of the war, all of the articles are geared to the forward look into the new era of reconstruction.
- E. JAY HOWENSTINE, JR., author of The Economics of Demobilization, is an agricultural economist in BAE.
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- ROY J. BURROUGHS, BAE agricultural economist, wishes to note his indebtedness to executives of co-ops, housing specialists, and Department officials for suggestions regarding the plan he proposes.
- W. U. Fuhriman works out from the BAE office at Berkeley, Calif., where he is regional leader in farm management and costs.
- L. F. EASTERBROOK contributes this article through the British Information Office.
- T. S. Buie, regional conservator of the SCS, is stationed at Spartanburg, S. C.
- FRIEDA S. MILLER, Department of Labor, is Director of Women's Bureau; John H. Provinse is Chief, Community Organization Division, War Relocation Authority; Howard Zahniser has resigned as Head, Division of Information, BPISAE, to become executive secretary of the Wilderness Society and editor of *The Living Wilderness*; in BAE are O. V. Wells, price analyst, and John F. Timmons and Gerhard J. Isaac, agricultural economists.

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# STABILIZING EMPLOYMENT by Rural Public Works

By E. JAY HOWENSTINE, JR. Time is already late for rural communities to get busy on the blueprints for postwar public works, says this author, if the works are to be adequate to rural needs, capable of employing many people effectively to the benefit of the public, adapted to expansion and contraction as situations demand, and if they are to be really ready when the call comes to spring into action. Suggestive pointers are given.



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Many flexible measures may be required to maintain a high level of

mass purchasing power and high levels of employment in the years ahead. Of the measures that have been proposed, public works has the distinction of being one which almost all agree to be desirable.

Before public-works policy can play its most effective part in the stabilization of employment, however, three indispensable conditions must be met. Real public needs must be many to permit the use of public works as an efficient employment-creating device. Enough well-planned, worth-while projects must be planned before they are needed to expand employment opportunities. Sufficient funds to finance the public works must be appropriated in time. If any of these three conditions is

lacking the potentialities of useful public works may be lost to madework, boondoggling, and leaf-

raking.

Urgent rural needs that in themselves outline very satisfactorily a desirable expansion of public works as an employment policy are at hand, as even superficial observers of rural communities are aware. Muchneeded public facilities and improvements of a traditional nature include a long list-roads, schools, hospitals, health centers, sanitation facilities, county agricultural buildings, recreation facilities, public range conservation and development, public forest land development, and fish and wildlife conservation. The list is becoming familiar but how much is being done about it?

#### Awakening

In addition a tremendous amount of work on private land is required, including soil and range conservation and development, forest land development, irrigation, drainage, and clearing, to bring this area of the rural community up to a reasonable standard of adequacy. The financing of this group of works is still largely a private matter. But because of a growing awareness of the public interest in the development and conservation of natural resources, the scope of public works has been widened-especially within the last 15 years—to include certain private land conservation and development that is definitely in the public interest. What part of rural land development on private lands will be undertaken as public works will depend upon future public policy.

Finally, there is a large area of need among the farm facilities—electrification, housing, and sanitation. These will be predominantly financed by individuals, but they definitely affect the health and welfare of the Nation and so might be undertaken in part as public works.

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#### Urgencies

Building up an adequate reserve of well-planned, worth-while projects is the second major requirement of a flexible public-works program. It is impossible for a rural publicworks policy to take its appropriate part in helping to maintain full employment unless there is readily available a reserve of diversified projects of a nature that can be quickly expanded and contracted.

Despite the costly experiences of the thirties, rural communities with few exceptions are today scarcely better prepared to turn unemployment into useful work than they were then. A Nation-wide survey made by the Federal Works Agency reveals that on July 1, 1944, nonmetropolitan counties throughout the United States had completed plans for only 28 million dollars' worth of projects. In addition, special governmental districts, State Governments, and the U. S. Department of Agriculture have an undetermined number of blueprinted projects ready for immediate operation. If rural communities are going to make rapid progress in improving their resources and facilities and providing useful work for their possible unemployed, their real task is to make adequate plans

#### Call for Organization

at once.

Inadequate organization for planning is one of the major hindrances to the building up of a reserve of her rural projects. Responsibility for planning rural improvements resides in local, State, and Federal Governments, and in local groups of citizens. Planning of Federal agencies is under way. State planning is moving forward. In such cities as New York, Chicago, Cincinnati, and Portland, where effective planning erve organizations have been actively at proj work for several years, detailed plans are now ready for the word Go. By am. contrast, most local rural governblic ments are far behind in their danning.

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#### They Know

There are good reasons why local ckly people should share the major responsibility for planning, carrying out, and maintaining improvements in their home communities. They, cely letter than anyone else, know what they need. They will be mainly remonsible for keeping up these improvements after these are made. If eals an improvement is poorly planned, poorly located, and poorly conited structed, the local people lose. If it is properly planned and carried out, they benefit.

#### Committees

A planning committee that represents all major community interests might well be the nucleus and focal point of rural public-works planning within the county or other appropriate area. The establishment of an area-wide planning committee with working subcommittees is a fundamental step in developing sound projects. This committee could serve as the spearhead for local planning, acting in a capacity similar to many city planning groups who have done an effective job of building up a re-

## Earth-Light

The capacity of the American way of life in the years to come is beyond the vision of man.

-HENRY A. WALLACE

serve of improvement work for urban areas. The local committee also could be responsible for working with Federal and State agencies in arranging for technical and possibly financial assistance.

A local public-works planning committee will be more successful if it includes both local officials and civic leaders who do not hold office, and so represents all major community needs. Roads, education, health, housing, sanitation, marketing, irrigation, electrification, conservation, and recreation, are to be remembered. Representation of all important local interests on the committee helps to insure the development of a wellrounded program.

Subcommittees composed of members of existing boards, committees, and groups, to act on specific problems or to operate on a community basis within the county are frequently desirable, to facilitate local planning. In this way, full use can be made of existing organizations. boards, highway commissions, health boards, and conservation boards all help. Nongovernmental groups such as Parent-Teacher Associations and Home Demonstration Clubs should be brought in early in the planning.

The job of building a reserve is divided into five steps: preparation of a well-rounded development plan based upon land resources and population patterns, selection of specific projects to carry out this plan, arrangement of projects into a longrange public-works program of development, blueprinting the plans for the projects and holding them in readiness for operation, and annual revision of the long-range program.

#### Bottlenecks

Adequate funds must be available when needed. This is the final condition of a flexible rural public-works policy. In two phases of public-works the funds are crucial—in blue-printing the project and in its actual construction.

Lack of funds to finance the blueprinting process, which on the average amounts to 4 percent of total project costs, has been a major reason for the lag in rural planning. Local charters or State constitutions sometimes even prevent the spending of funds for advance planning. It is a striking fact that, on July 1, 1944, according to a report on a Federal Works Agency questionnaire, 27 States and more than half of all local

## Aim

The environment to which a veteran returns must be as good as the one he thinks he had before he left.

-GIDEON SEYMOUR

# Justice

Justice is truth in action.

-JOUBERT

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governments lacked the authority or funds to complete their project planning.

#### Funds

One way to break the planning bottleneck is for State and Federal institutions to help finance the preparation of plans and specifications for future public works. Five States-New York, Michigan, California, New Jersey, and Maryland-have set up funds to do this. Some of these funds are established on a matching and others on a loan basis. Congress has empowered the Federal Works Administrator to make non-interestbearing loans amounting to \$17,500 000 to States and local governments to finance the preparation of plans. Evidently, rural communities with inadequate funds for planning should take immediate advantage of this chance to get financial help.

As to the second phase of public-works finance, rural governmental units have made little progress thus far in accumulating reserve funds for public works. Returns on the Federal Works Agency questionnaire on proposed postwar public works showed that only 29 million dollarn in funds were on hand or arranged for to finance them, regardless of their stages of planning. Special dis-

tricts reported an additional ro million dollars on hand or arranged for to finance such works. This survey indicates that funds on hand or arranged for by rural governments will hardly make a beginning in financing the needed rural improvements and in employing workers, both men and women.

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State Governments have made more progress in accumulating reserves. By March 1945, States had accumulated balances of I billion dollars in their general funds, \$460 million in their highway funds, and \$156 million in postwar reserves. This makes a total of more than \$1.6 billion in unencumbered funds available for public works now that the war is over. It should be pointed out, however, that these balances represent money that would have been ordinarily spent on public works during the last 4 years if labor and materials had been available. In fact, preliminary studies indicate that aggregatae wartime State surpluses are not so large as would have been needed to finance those public improvements that were postponed during the war.

#### Position Good

State and local governments have also made some headway in reducing their debts during wartime prosperity. From 1940 through 1943 the net reduction of debt in all local government—rural and urban—was roughly 700 million dollars. State governments reduced their net indebtedness by about the same amount in the same period. State and local governments are unquestionably in the best financial position they have known since 1929.

#### Speed it Up

To what extent local rural governments will be able to assume the financial responsibility for rural public works during the readjustment and reconversion period that is now full upon us and to what extent State or Federal aid will be necessary will soon be seen. But the way in which financial responsibility for rural public works is distributed and the method by which these works are financed is a relatively minor consideration at this time.

Quick acceleration of project planning at all levels of operation is the thing needed to build up a well-balanced reserve of work so that when workers and materials are available and perhaps waiting many projects will be ready for a quick start and, if a great expansion of public works is needed as part of a national employment policy, plenty of good projects will be ready to put speedily under contract.

But human rights are powerful not only in war but in peace also. They are means as well as ends. It is in the practice of these rights that the best hope for a secure and lasting peace must rest.

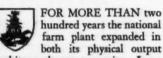
-ARCHIBALD MACLEISH

# Farm Opportunities:

### Output & Population Growth

reasons.

By JOHN M. BREWSTER. New land has lost its old meaning, according to this writer, who explains why and calls for a modification in our land policy to meet changed conditions,



and its employment capacity. Long habituation to this two-dimensional growth of agriculture developed the easy idea that when all else failed one could always find in farming an opportunity for making a living. But the last quarter-century has brought to the front the fact that farm output capacity and farm-employment opportunities rest upon quite different foundations, inasmuch as the production of food and fiber has kept on expanding, while on the average from 1920 to 1940, the number of farming opportunities slipped away at the rate of more than 100,000 each

Expanding farm production is very closely related to growth in domestic population. For example, from 1880 to 1910, there was an 83percent increase in population and an 82-percent increase in farm production. From 1910 to 1940, population increased 43 percent, farm output 37 percent. In each period, a decline in farm exports made possible a slight advance in the per capita consumption of food and fiber, even though population was growing at a faster rate than farm production.

First, farm exports offer little prospect for greatly expanded outlets for food and fiber in the foreseeable future. Except for temporary influences of the last two World Wars, such exports have been declining since 1900—especially so in the 30's, For the period 1925-29 farm exports represented the annual average production from approximately 50 million acres as compared with about 23 million acres for 1935-39. Here was a decline of more than one-half. It is generally assumed that in postwar years exports may absorb one-seventh of the total farm product provided we have full employment. Otherwise the proportion is likely to be smaller, because diminished foreign purchasing power would follow a contraction in our imports.

A close relationship exists between

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Second, new outlets for farm products as industrial raw materials appear to be limited. The human stomach is by all odds the primary user of farm products. Exclusive of tobacco, beverages, and fibers more than 80 percent of the entire farm output winds up there. Probably less than 10 percent of the entire farm output is used as industrial raw materials. Great expansion in indestrial uses of farm products should be kept in mind, but there is "little sign that potential uses of this kind offer a field in which they can effectively compete with cheaper substances."

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Third, increased per capita food consumption now offers little ground for expansion in the aggregate farm output. Although there is considerable variability in the quantity of any particular food that a person may want, the total quantity of food he can consume soon reaches a limit. Consequently, per capita food consumption varies only slightly over long periods of time. For example, in no year during a recent 30-year period did such daily consumption fall below 4.69 pounds or rise above 5.18 pounds.

#### Farm Output

The margin of underconsumption, arising from limited purchasing power in periods of partial employment, about represents the extent to which farm production might be expanded in terms of need. For example, it has been estimated that per capita food consumption during the depression years was around 15 percent less than it would have been under full employment. Farm output is now sufficient to meet this margin were it to be added to our per capita consumption. But recent military and lend-lease requirements and the temporary needs of war-torn countries for the moment do not permit this high level of domestic consumption.

For these reasons changes in farm output are closely related to the growth of domestic population, but the like cannot be said for changes in farming opportunities, either as farm operators or as farm laborers. These may either increase or diminish, while farm production and total population keep on expanding in fairly direct proportion.

#### Twin Influences

As the number of farm opportunities to which given farm outputs give rise is chiefly dependent upon productivity per farm worker and as farm output is so closely related to population growth, any change in the number of farm opportunities is pretty much the function of the comparative rates of total population change and farm technological advance as reflected in productivity per farm worker.

#### Whether or No

Therefore, as long as population growth was faster than farm technological advance, the farm plant necessarily expanded both its employment capacity and its food and fiber output. Thus from 1880 to 1910, an 83-percent population increase (41.8 million) was accompanied by only a 34-percent gain in farm-worker productivity. By virtue of this increase in productivity, providing food and fiber for this larger population was reflected in only a 35-percent increase (3 million) in farming opportunities. Under these conditions, times might be good or they might be bad but with the same dependability as the round of the seasons, the national farm plant was opening up an ever larger number of new opportunities for willing hands.

#### Not Now

But that day is done—eaten away by the chemist, geneticist, physicist, and inventor. For through their tinkering with the ways of nature, technological advance (as reflected in farm-labor productivity) overtook the rate of population growth about 1920, and has been stepping ahead ever since at an accelerated pace with no prospect of abatement in the visible future.

This has laid upon the Nation's doorstep a farm plant with an expanding food and fiber output on the one hand and with declining farm opportunities on the other. For example, a 25-percent increase in total population from 1920 to 1940 was associated with a 55-percent gain in farm technological advance, which in turn was reflected in a 20-percent decline in farming opportunities (nearly 2.3 million workers).

Once the rate of farm technological advance has overtaken the rate of population growth, bringing new land into farming exerts little influence upon the fact that farm production continues to expand while farm

opportunities decline.

#### Soil Resource

The principal reason for this condition lies in a chain of circumstances. In any state of the technological arts society's needs for food and fiber require a certain amount of land. Only this amount of land enters into actual farming opportunities. Food and fiber requirements of a growing society do require an ever larger soil resource. But this resource may be forthcoming either as the result of bringing new acres into farming or through increased production for society from existing acreage. In the first case, this new soil resource arises from "nature in the raw." In the second case it

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Thought is the property of him who can entertain it, and of him who can adequately place it

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arises from technological change by way of improved yields or substitution of mechanical for animal power.

Therefore, so long as population growth is faster than the rate at which technological change increases the soil resource (without increasing the total number of acres), new land necessarily constitutes a potentially larger number of farming opportunities. These are realized so soon as new land is brought into cultivation.

#### New Land

Under these conditions it is impossible to think of new land except as meaning more opportunities for farms and farm workers. Such was the case until about 1920. Substitution of mechanical for animal power had begun but had made no substantial inroads—there were more horses and mules on farms in 1920 than 10 years before. Yields had remained relatively constant for several decades.

#### Changing Times

In line with this customary meaning of new land, a suitable land policy consisted in ways and means of enabling more people to get onto the land. Helping farm workers get off the land into other employments was inconsistent with the times.

But times have changed. From 1920 to 1940 technological advance has been creating new soil resources available for society's needs at a rate faster than population growth. While population increased 25 percent in this period, the effective land resource increased by 20 percent through improved yields and another 10 percent by substituting mechanical for animal power (after allowing for weather).

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#### On Ahead

Nor is the end in sight. It has been estimated that by 1950 farm production may be increased about 15 percent above the war level through wider use of fertilizer and lime, new varieties of crops, pest control, crop rotation, and other improved practices. This is equivalent to an additional 15 percent in our soil resources. It has been estimated that population will increase during this period by less than 4 percent.

#### New Meaning

Only that number of acres whose product is needed by society enters into actual farming opportunities. On the other hand, technological advance is increasing new soil resource for society's needs at a faster rate than population growth and is also increasing the acreage that a man can handle. Therefore, in its passage from the old to the new situation, new land has lost its old meaningan increasing total number of farming opportunities. This number must decline regardless of whether new land is brought into cultivation. This is the case even if acreage per worker remained constant, but especially is it true if acreage per worker increases, which is more likely to happen.

Under these new conditions, bringing new land and workers into farming in some areas not only has shed its old but has also acquired a new meaning—ultimately forcing a larger number of workers out of farming in other areas, either by way of land retirement or by shifts from intensive to extensive forms of land use.

#### Call for New Policy

In line with this meaning of new farm land, a modified land policy is needed which would coordinate (r) bringing new productive land into farms with (2) ways of facilitating the shift of excess farm workers and families into other occupations as well as facilitating necessary shifts in land use along with some reorganization of old land into adequate farms.

This about-face in the nature of a modern land policy is no more radical than its cause—the shift of farm technological advance to a faster rate than total population growth. Throughout the long trail of man's struggle for bread, and vividly so in our settlement era, the first premise of a fitting land policy was the everyday necessity for more farming opportunities as a means of providing food and fiber for a population that was growing at a faster rate than farm technological advance. But in the new situation, the foundation of a fitting land policy is a firm grasp of the ways and means for maintaining a full employment economy as the basis of alternative employments for an occupationally declining agriculture.

# FARMER COOPERATIVES IN WAR AND AFTERWARD

By HAROLD HEDGES. As a hundred years have now passed since the introduction of the Rochdale principle it is a good time to take stock of cooperation in the agriculture of this country. Moreover, many general readers want to know what war has done to this form of cooperation and what its prospects are now the war is over.

THE MAGNIFICENT
job that has been done by
the agricultural industries
over the last four years in

handling their part of the war effort, despite innumerable handicaps, is neither well known nor appreciated. All too few realize the intensity of the pressures put on the processing and distributive systems for farm commodities and production supplies by a 40-percent increase in agricultural production and by the drain of manpower and materials into war channels. It has not been an easy period, and the days ahead will present their tough problems, too.

Farmer cooperatives can review with real pride their part in the enormous task of processing and marketing the enlarged farm production, and of "scaring up" enough of the fertilizer, feed, petroleum, and other supplies needed to get the farm job done. The record will show they have done their full share—and perhaps a little more. With this record behind them, most of the co-ops face the future with confidence, bulwarked by loyal memberships and strong net-worth positions. They not only are in good position to meet

any postwar problems that may arise but they are anticipating what those problems may be—and laying their plans accordingly.

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It is estimated that fully half of the Nation's farmers are members of cooperative associations that are engaged in handling and processing their products, purchasing necessary farm supplies, or providing essential farm-business services. As many farmers are members of two or more associations, duplication occurs when individual associations report their memberships. There are no accurate data to tell how many farmers are members of one or more cooperative associations.

Here is a part of the story as told by latest figures on numbers and membership—and figures are necessary in telling it. For 1943-44 some 7,500 associations serving 2,730,000 members, were engaged primarily in marketing activities, while 2,778 associations with 1,520,000 farmer members were occupied mainly in purchasing farm supplies. Over half of our farmers obtain protection from fire, wind, and hail losses through some 2,000 mutual insurance companies. More than 4,000 mutual irrigation companies serve about 150,000 farms. More than 800 rural electric co-ops provide service to over a million rural homes. More than 2,000 mutual companies with switchboards supply farm families with telephone service. In the credit field are 1,781 national farm loan associations, 514 production credit associations, and about 370 rural credit unions. Some 1,400 livestock improvement associations—sire ownership, dairy-herd improvement, and artificial insemination groups—are aidicial insemination groups—are aidicial insemination from farms.

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Then there are thousands of small, informal farmer groups—threshing rings, spraying rings, machinery pools, bull clubs—all utilizing the cooperative technique to help with

the farm-production job.

#### Competitive Force

Cooperatives probably have come in for more widespread public discussion during the last year or two than in any other period of the 100odd years of their existence. Most attention has been directed toward the marketing and purchasing associations which have been furnishing pretty stiff competition to the other forms of private-business enterprise. Even though the co-ops occupy a commanding place in only a very few segments of agricultural industry, their position is sufficiently strong in many lines to make them a real competitive force. And facts and figures lend support to the view that they have been improving their position during the war period just closing.

#### Regional Set-Ups

The trend in cooperative marketing since 1930 has been toward fewer but stronger associations, and the development of regional set-ups in order to expand marketing functions and to increase their over-all effectiveness. Our entrance into war in 1941 did not change this trend.

Membership of the marketing co-ops increased by 19 percent to 2,730,000 between the years 1940 and 1944. During the same period their business volume increased just about in proportion to the unprecedented increase in total value of farm marketing. Considering the two factors—membership and business volume—there is the suggestion of improved membership relations so that more cooperative patrons became members but with little change in the proportion of farm products marketed through cooperatives.

A somewhat different story is told by the figures for the purchasing co-ops. Between 1940 and 1944, their membership increased nearly 70 percent to 1,520,000 and their business volume increased to \$1,010,000,000 for 1943-44, a gain of 125 percent. This compares with an increase of 94 percent in the current operating expenditures (not including labor) of American farmers during the same 4-year period. It would seem, therefore, that during the war the purchasing co-ops substantially improved their position among the handlers of farm supplies.

#### Net Worth

Cooperatives, along with most other business concerns, have fared very well financially during the war years, and have been able to improve their net-worth position. Data for both 1940 and 1944 for a fairly representative group of associations give an idea of changes in financial status.

For the group as a whole, the net worth of farmers in their associations increased by 109 percent between these two dates. Comparing large-scale or regional co-ops with the local associations, the former showed networth gains of 132 percent as against 78 percent for the locals. Comparing the marketing with the purchasing associations, the gain in net worth for the former was 96 percent as against 136 percent for the purchasing co-ops.

All in all the cooperatives appear to be in fairly good financial position to take care of any postwar adjustments. As financial data are not available for other types of business dealing with farmers, no comparisons between co-ops and the other

concerns can be made.

#### Responsibility

These figures do not tell the whole story of what has been happening in the cooperative field during the war. The co-ops have run up against the same problems of manpower and material shortages as other business concerns. Despite these trying conditions they have recognized, perhaps more than other segments of the industry, their responsibility to farmers and to the Nation to do the necessary job of marketing and processing the farmers' products and to provide the essential production supplies.

One interesting development was the move initiated by regional purchasing cooperatives in 1941 to set up the National Committee for Farm Production Supplies. Governmental war agencies soon recognized in the Committee the group most representative of farmer interests and looked to it to reflect farmer thinking on problems under consideration which concerned farm production.

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This is only one instance of a growing tendency of the cooperatives to work together more closely on matters of mutual interest. To improve public understanding of cooperative principles and objectives. co-ops took steps last year to revitalize the American Institute of Cooperation. They have also given increased support to their various nontrading associations. Both local and regional co-ops have demonstrated a greater inclination to work together in overhead business organizations to perform more marketing or processing functions, and to procure or manufacture farm supplies to better advantage.

Now that the longed-for postwar period is under way, cooperatives face the same business problems that private profit firms operating in the same field must face, plus a few which are distinctly cooperative in character. Illustrating the first type of problem, are the co-ops that have been selling most of their output to the Government for military or lendlease use. They must find new mar-This may involve changing the form of the product and almost certainly will mean new types of packages and methods of handling. Typical of the distinctly cooperative problems are those of modernizing organization structures or of reviving activities regarding membership

Main Objectives

relations.

Space will not permit discussion of specific problems, but attention may well be directed to the main objectives which cooperatives might keep in mind in planning their postwar programs. Farmers are justified in utilizing the cooperative device only when it offers a way to solve an economic problem of which they are very much aware. Once established, the cooperative can justify its existence for the long pull only by doing as good as or a better job of marketing or purchasing or rendering other services than do other elements of the industry. Operating efficiency has been neglected by many business firms, including cooperatives, under the favorable operating conditionswide margins, the sellers' marketwhich persisted during the war.

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#### Improved Efficiency

Since the goal of cooperatives must always be the lowest possible cost consistent with effective operation, it should be a postwar objective to work quickly and diligently toward further improvement in operating efficiency. With debts rather well liquidated and reserves built up for postwar contingencies, most cooperatives should not be handicapped by inadequate capital. Manpower, materials, and equipment should be increasingly available. Conditions, therefore, appear to be favorable for making moves that will result in greater efficiency and put the organizations in strong competitive positions.

Many students of the problems of agriculture concur in the view expressed by Secretary Wickard in 1944 that the cooperative is the device which offers "the most to enable operators of family-sized units to meet large-scale competition on its own ground and yet preserve their independence." To realize more fully the possibilities which the cooperative may offer, new fields of

cooperative activity need to be explored and new types of service developed. Its extension into areas not now served should be encouraged. Many producers who operate family-size farms have yet to learn how—through active participation in marketing, purchasing, and other service cooperatives—they can gain for themselves the advantages of economy and efficiency claimed for large-scale farming.

#### Prospects

Cooperatives are often referred to as typical of economic democracy. The element of patron ownership and control in set-up, combined with the dominant objective of adequate service at reasonable cost makes them so. They already have proved to be a real force in combating monopolistic tendences. They have helped definitely to bring about a higher level of business ethics and, because of this, have received the stamp of approval of church, school, and government.

Even though governmental policy provides a favorable climate in which cooperatives may function, the initiative for improving and expanding the movement must come primarily from those who use them. In the ranks of their membership is to be found much if not most of America's rural leadership. In the ranks of management is a growing store of business know-how. Whenever or wherever local farmer groups become fully aware of real need for cooperative action, they no longer lack a ready source of information and inspiration near at hand. Under such conditions, we may rate the prospects for further sound cooperative development as good.

# Farmers' Cooperative Construction Service

By ROY J. BURROUGHS. This proposal grew out of studies being made by the Department's working group on rural housing and farm buildings. It is not offered as a solution of the farm building problem but rather to raise the question as to whether this approach toward a solution would be practicable and feasible. It is presented to stimulate further discussion of the timely subject of finding the best means for improving rural housing and farm buildings.



HERE is sketched in broad outline a proposed Nation-wide farmers' cooperative construction

service.

At once, certain questions arise in our readers' minds. How would such a service operate? Through whom would it operate? Is it needed? Even before this outline is read, these questions will plague many readers. The replies cannot be given in three-letter words, but they are here.

If undertaken, this service might well be the responsibility of existing federated cooperative purchasing associations of farmers. It would be organized cooperatively and, through existing local cooperatives, it would be available to most farms and ranches in this country. It would be given technical guidance through a national federation in corporate form and this corporation would serve farmers through the existing regional supply purchasing

cooperatives which would own its common stock.

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If the system operates as outlined here, farmers could get materials and services of standard quality at more reasonable prices than are now possible. As technology advances, farmers could share in the benefits of the advance to a greater extent than would otherwise occur. Urban consumer groups might also take part in a program of this nature whenever they develop to a point at which they could safely assume such a responsibility.

The time is ripe for the introduction of such a service. Veterans are returning to establish new families who will want new farm homes, or at least a modernized version of older houses. Much farm housing is obsolete and during the war both service buildings and dwellings have deteriorated for lack of proper maintenance. With about 17 billion dollars or more of liquid resources and a comparatively low indebtedness,

farmers generally are certainly in a position to utilize whatever improved construction services become available.

A cooperative construction service may be viewed from three levelsnational, regional, and local. Two national corporations which are federations of regional associations now operate in a somewhat limited way. Seventeen major regional cooperative purchasing associations are engaged primarily in wholesale trade but several also operate in retail trade, manufacturing, mining, and forestry. Most of these regional associations constitute federations of farmers' local cooperative associations. In several cases, however, the regional associations are owned directly by individual farmer members.

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At the close of their fiscal years in 1944 the 18 major regional purchasing cooperatives are reported to have had a net worth of nearly 65 million dollars. In that fiscal year the wholesale business alone of these 18 associations grossed over 348 million dollars. Sales of lumber, paint, maintenance equipment, and electrical equipment exceeded 7.3 million dollars.

Other activities related to a construction service include forest management and the operation of lumber and shingle mills.

#### Proposal

Now it is proposed that these regional purchasing cooperatives establish a corporation and provide the equity financing by purchasing the common stock. The corporation in turn would use the regional cooperatives as an outlet for its services. As an alternative such services could be made the function of a branch of one of the existing national corporations but a more inclusive federation might be possible were a separate corporation organized for this specific purpose.

#### National Level

The function of the national corporation with respect to the provision of a construction service would be threefold.

1. To provide technical "know how" and organizing skill. can be done in such ways as interpreting scientific reports of public and private research agencies, testing goods bought, making recommendations concerning structural design, instructing regional technicians in procedures, occasional on-site inspection of services being offered to farmers in order to encourage uniformly high standards that are properly adapted to each type of farming or climatic zone, and making recommendations for improved local and regional organizations.

2. To coordinate the buying of certain building materials or mechanical equipment for the regional cooperatives. This function could well serve the country as a whole at the time when surplus war materials, including housing, is to be disposed of in sizable lots. A large-scale buyer can operate economically in bidding for materials, and in moving and utilizing them.

3. To assure a continuous supply of goods to the regional cooperatives at reasonable prices and with full utilization of the most recently available technical improvements. If necessary the corporation might engage in manufacturing, mining,

forestry.

The regional cooperatives would use the corporation as buying agent only in circumstances in which centralized purchasing would better serve the interests of farmers.

#### Regional Levels

Regional cooperatives would continue to serve individual farmers through existing channels. According to the present most frequent arrangement, the regional cooperative serves as a wholesaler and the local cooperative as a retailer. In other cases the regional cooperative owns the local retail outlets. In some instances the regional cooperative uses private retail stores as outlets. The distribution of building materials can operate much as it does now, though many additional outlets are needed, especially throughout the South. Some of the regional and local co-ops now own lumber yards in considerable numbers.

One regional cooperative plans to employ one or more architects to design farm structures. To provide direct architectural service to farm families to help them plan for remodeling or new construction, appears to be its logical next step.

Many of the construction-service functions of the regional coopera-

# Certainty

They know what's what at the grass roots.

-HENRY A. WALLACE

tives might best be performed for farmers through a farm service shop operated by a local co-op. In other cases the local farmer cooperatives—both those engaged in purchasing for farmers and those that market farm products—would serve merely as agents of the regional cooperatives. A farmer would place his order with his local cooperative which in turn would pass the order for service on to the regional cooperative.

#### Local Levels

Farm service shops are one of the most promising developments toward providing a farm construction service. Shops have been tried in at least one State. They are operated by local cooperatives. The array of mechanical and automotive equipment now found on modern farms and in modern farmhouses calls for many kinds of mechanical service. These shops aim to provide them. The mechanics in the shops become skilled in repairing many kinds of equipment. Each farmservice shop now in operation or immediately contemplated plans to employ technical workers and carpenters as soon as they are available. During bad weather the carpenters can build brooder houses and do other work under cover.

One regional cooperative now trains the service personnel of the local farm-service shops. It also performs certain operations that require specialized equipment or skill, such as reboring the cylinders of a tractor motor.

A local cooperative ordinarily would have a sufficient staff of mechanics on its own pay roll to handle emergency repairs. But were the local volume of business insufficient, able i too fa come may farmed ing too come they Consequipowne repair

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even this work might have to be in charge of the regional cooperative, although if a mechanic is to be available in an emergency he cannot be too far removed. As farmhouses become more modernized this problem may become more pressing. But farmers and their families are realizing that they themselves must become somewhat mechanically able if they are to use modern equipment. Consequently they may be better equipped than most other home owners to do their own emergency repairs.

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Provision of crews with spray guns, sawmills, or other equipment might be either a regional or a local matter depending on the volume of business. If a foreman or operator must be sent with the equipment, regional control probably would be necessary.

#### Ruling Principle

The ruling principle is that a given service be controlled by that association, whether local or regional, which has a volume of business that will assure a reasonable continuity and economy of operations.

To sum up—farmers could make application to, or advise with, any existing local cooperative which would provide, or would request the existing regional co-op to provide, certain services. They would include such services as offering a complete line of supplies, complete contracting service, architectural and engineering service, offering the service of foremen to supervise a farmer or a group of farmers in self-help; hiring of crews with proper equipment; and supervision of cooperative woodlots. This proposal would be consistent with most plans for governmental

# Strength

Society is no stronger than its least secure members.

-Eric Johnston

action to improve the housing conditions of farmers.

#### Advantages

A few of the advantages to farmers of such a system may be passed in review. As a supply and service cooperative operating on a big scale the system could offset any existing price rigidities by returning savings to the consumers. If supplies at reasonable prices could be obtained in no other way, the corporation would be empowered to engage in whatever extractive or manufacturing activity might seem desirable. The corporation could use its power and technical knowledge to obtain quick application of a useful patent. If necessary the corporation could buy the patent for its own use or for lease to others.

Because it would have an integrated system, the materials and services needed by farmers could flow by the most direct route. Cross shipments and multiple middlemen could be reduced. Local mechanics would be guided by standards of performance instituted by the national corporation. Engineering planning from the top would have a tendency to assure skilled operation down the line.

The large scale of activities and the wide geographic coverage of the regional cooperatives would permit comparatively continuous work by mechanics and machines. This would reduce the costs of labor and machine per job. A farm-service shop operated by a local cooperative would have an even better chance at continuity of operation because of the diversity of its functions.

Cooperatives that have farmservice shops will have a decided advantage in merchandising pre-cut and pre-fabricated structures. The shops would provide personnel to supervise the erection of structures. Perhaps even more important, men would be available during the life of a structure to make minor mechanical adjustments. These adjustments are especially needed during the first few years of use.

A well-known mail-order house is said to have abandoned the sale of pre-cut standardized houses partly because it could not stand behind the product with its usual guarantee. The firm lacked the local mechanical service to make adjustments to satisfy the buyers. Apparently the

product and the merchandising methods were good, but the firm could not take care of minor cases of trouble for lack of a field staff of mechanics.

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All these elements should combine to give farmers a construction service where they may not now have such service, give them quality at relatively low prices, give them some of the advantages of technological improvements, and assure them houses, barns, and other buildings of modern and efficient design when they are ready to order them.

#### Over-all Corporation

Many of these advantages might be achieved by the independent action of each regional cooperative but the additional buying power of the over-all corporation would be important for rather evident reasons.

r. The national corporation would have a better opportunity to attract engineers and architects of the highest caliber and independence of thought. The technical staff must

# Century Plus

Although 1944 marked the hundredth anniversary of the Rochdale principles, farmer cooperatives in America have much deeper roots. Their seeds were sown in the pioneer days. Corn-husking bees and barn raisings are but two early examples of the cooperative spirit that has long flourished among American farmers.

-W. G. HOAG

break with tradition to the extent of pioneering in materials and laborsaving methods. Economy of space in design is more easily obtained than economy in production and engineering standards.

 The national corporation would have greater power when bargaining for supplies and would gain reduced

prices for farmers.

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2. The national corporation would probably try to provide an adequate market for the products of any manufacturing enterprise it found desirable to patronize or to operate. The larger the market for a given product, the more readily can factories be located on sites that involve the lowest transportation costs. Moreover, so far as a forecast of future costprice relationships is possible, factories can be planned to be of the correct size so they can operate near the least-cost point and thus be able to sell products at comparatively low prices. A national corporation might be in a better position than would a regional cooperative so to plan its operations as to achieve the greatest efficiency. So far as such planning permits, the size of plants could be designed to operate at that scale of production at which costs per unit of output would be least.

#### Financing

Credit facilities of the Nation are well adapted to the needs of a farmers' cooperative construction service. By conforming to high-credit standards, the corporation and the regional cooperatives could obtain commodity, operating, and facility loans from the banks for cooperatives. These banks, which are under the general supervision of the Farm

Credit Administration, could provide short- or long-term funds for merchandise purchases and other operating needs, or for purchase of facilities like warehouses, factories, equipment, and forests. Rates of interest for such loans by banks for cooperatives are reasonable.

Commercial banks are important sources of credit for cooperatives. Credit pools now being organized by groups of commercial banks should find a cooperative construction service to be a very satisfactory outlet for short- and intermediate-term loans.

Individual farmers would continue to use one or more of the many existing credit facilities. If the Farm Security Administration or any other public agency should advertise for bids for the construction of farm dwellings or barns, the nearest regional supply purchasing cooperative could enter a bid. If the system operates as anticipated, it could bid successfully.

#### Value Received

No matter whence the purchasing power of a farmer comes-whether from his own savings, credit advances, or public grants—the money used for housing and other structural purposes should have above-average purchasing power if it is spent through an efficient farmers' cooperative purchasing organization that supplies building materials and services at reasonable prices. If used to buy goods and services from a wellmanaged, integrated, and enterprising cooperative, organized in the interests of the farmers, each hardearned and carefully saved dollar, when spent, could be expected to bring adequate value in return.

# NEW LAND SETTLERS: What They Say

By W. U. FUHRIMAN. Perhaps those who are thinking about settling on new land or about the problems of managing settlement would like to have some direct testimony from men and families who have recently worked their way through the first few years.



INSUFFICIENT funds, inadequate e q u i p ment, lack of practical knowledge of irrigation under

the specific conditions of the new project, and maladjustment between forage-crop production and livestock numbers are the most important handicaps which settlers on new irrigation projects are likely to face. Poor roads and unsatisfactory sources of domestic water also may hinder their progress. Dust is a nuisance and it is ever-present during the dry season when new lands are being cleared, leveled, and brought under irrigation. Paucity of community services, public utilities, and social life is regretted by women settlers. Long hours, hard work, and many inconveniences must be endured. Settlers generally should be prepared to accept these as part of the settlement process.

These generalizations grew out of the experience of families who settled on the Vale-Owyhee Project in Oregon during the late 1930's.

This project contains about 100,000 acres of irrigable land lying adjacent to land that has been under irrigation for decades. It is an area of family-size irrigated farms, general

and diversified in nature and similar to those that are expected to develop on the Deschutes Project in Oregon and the Columbia Basin Project in Washington. statu 1939

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The backgrounds and previous experiences of the people who settled this new land differed greatly. Some had been reared in Western irrigated areas and were well acquainted with irrigation farming. Some came from the Dust Bowl and other parts of the country and knew little or nothing about irrigated farming. Some were native-born, others were immigrants. Some had fairly adequate financial resources and were equipped to clear and subjugate their land almost entirely by mechanical means. Others had practically no resources and cleared out the sagebrush with a grubbing hoe. In a few cases several families had migrated from a particular locality and settled as groups. Other families came alone. Some had previously enjoyed a relatively high level of living, whereas others were accustomed to privation. Such differences in background are naturally reflected in standards and hence in the settlers' ideas regarding the difficulties of settlement.

A survey of settlers' progress and status on this project was made in 1030, and early in 1945 the survey was repeated by personal interview. Toward the close of each interview, the farmer was asked what he considered to be the main difficulties in settling of new land. Leading up to this question the investigator pointed out that probably after the war many farmers-servicemen and othersmost of whom have had little or no experience in bringing undeveloped lands under irrigation, will think about settling on the new projects. It was emphasized that these wouldbe settlers should understand the prospective problems. Then the farmer was asked what he believed to be the most difficult problems that will confront these settlers. In addition, he was asked specifically whether a lack of sufficient credit at any time had prevented his making desirable improvements or acquiring equipment or livestock which, in his opinion, would have been to his advantage.

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#### About Credit

Lack of credit with which to buy adequate equipment and livestock was a handicap frequently mentioned. Of the 55 settlers who expressed opinions, 36 believed they would have made greater progress if they could have had additional funds. The other 19 said that lack of credit had never been a handicap; many of these men were fairly well supplied with funds for their farms, but the dwellings and farm buildings of some were, or had been, inadequate.

There was a rather widespread feeling that the credit extended by the Farm Security Administration and other agencies had contributed greatly to the progress of the settlers. Farmers used such expressions as "We wouldn't have made it if it hadn't been for the FSA," "The FSA program is very good because it is a little lenient during hard years," "Seed loans were our salvation." A few thought that the suggestions and supervision given by the lending agencies helped. It was usually felt that "too much should not be expected of the farm family during the settlement stage." In general, settlers thought it would take about 3 years to bring a farm on new land to a paying condition.

Expressions regarding a desirable loan policy were not all in the same direction. Lack of "freedom to use funds as they wished" had hindered the progress of several farmers, they believed. A few had some misgivings about using credit: "Credit is

# Farmer Ability

In my personal contact with American farmers, whether they are tilling the soils of Georgia, New York, or California, I have come to have the greatest appreciation of their ability to think clearly, to act wisely, and to solve their difficulties.

-LLOYD S. TENNY

something we have stayed away from," one said. Another: "We did not borrow. We played it pretty safe. Perhaps we didn't borrow enough."

#### About Equipment

Lack of adequate equipment to clear, level, and operate the farm properly was mentioned as a serious handicap to many settlers. Apparently not one would hesitate to recommend that farmers go in debt to buy or otherwise procure the use of good equipment. A few cautioned against buying too much at the beginning, but even these said that adequate equipment was essential to satisfactory progress.

Several warned against too much investment in farm dwellings at the outset. "Build a basement house until you can afford a better one," said several. A few felt that credit has been misused: "A little credit is better than a lot," "My neighbor has a fine-looking house but too big a mortgage," "A lot of people won't bring living down to where they can make a go of it." But apparently none of the settlers thought that he personally had been given too much credit.

#### About Water

Problems relating to irrigation and land use were the next most frequently mentioned. The farmers had in mind difficulties arising in connection with the proper handling of land and with proper irrigation. Several settlers pointed out that they had had years of experience on irrigated farms but this did not prevent their making serious blunders before they learned how to handle water correctly on new land. They were

# Seamless

A seamless web—the unity of land and water and men.

-DAVID E. LILIENTHAL

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surprised to find that new land responded so differently to irrigation than old land and that different soils require such different treatment. Water does not readily penetrate some soils on this project. Farmers on these soils were particularly impressed with the necessity of adapting irrigation practices to soil conditions.

Settlers from the Middle West who had had no experience with irrigation recalled with amusement their early attempts at trying "to make the water behave." One gave a graphic description of how he and his wife and two children, armed with hoes and shovels and assorted equipment, tried to take care of the first stream of water turned onto their land. After struggling for 2 or 3 hours they were exhausted; they turned the water down the ditch and went for advice to a neighbor.

Many settlers said that irrigation was definitely their chief trouble during the first year or two. Besides making the water "behave" they needed to know when to irrigate, how to lay out their land, and what methods of irrigation to use for different crops under various conditions of slope and soils. Several now realize clearly that differences in crops, soils, and slope affect irriga-

LAND POLICY REVIEW, WINTER 1945

for requirements. They reported that considerable loss of crops and perhaps some loss of soil during the first years could be attributed directly to inadequate knowledge concerning irrigation. One of the most successful farmers said that it took him years to find the best method of bringing his raw land under irrigation.

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#### About Crops

Responses indicated that mistakes were made in selecting crops to be grown. They included such expressions as "farmers need to study the soil before they decide," "farmers should give more attention to what crops to grow during the first years," and "settlers should be more willing to learn from the county agent about crops."

#### About Marketing

Marketing of farm products was considered. Settlers recalled the stacks of surplus alfalfa hay that dotted the landscape at times during the first years. Others emphasized that there was not enough livestock on the project to consume the forage and pointed out difficulties in acquiring livestock and in marketing livestock products. Lack of all-weather roads was frequently given as a serious obstacle in getting dairy products to market and as retarding the development of dairying.

Settlers recognized that production and marketing problems are interrelated. Several mentioned the desirability of keeping a closer balance between livestock numbers and forage production, in order to avoid disastrously low prices for hay. Surprisingly little mention was made of low farm prices as such, possibly because the recollections regarding stacks of surplus hay and impassable roads were so vivid.

#### About Houses

As the dwelling quarters of families were, and in many cases still are, seriously inadequate one might expect that housing would be prominent in the list of problems, but very little was said about these inadequacies. Apparently in retrospect they did not loom large among the privations. Perhaps they had been expected. The housewives remembered more about the dust-as dust. A few of the early settlers lived for 2 or 3 years in shacks without glass windows but the dust, which is almost inevitable when new land is broken, had been an irritation even to families in good houses. But regardless of memories, when the families were questioned regarding their plans for the postwar period, improvement in their houses took first place. Most of the families now have electricity, considerable electrical equipment, and a good source of culinary water. Lack of good water had been a previous trial and even in 1945 a few families were still hauling water.

#### About Services

Appreciation for the assistance the settlers had received from various sources was frequently expressed. Besides the favorable comments concerning the services of the FSA and other lending agencies, the help of the county agricultural agent, the Bureau of Reclamation, and the Rural Electrification Administration was mentioned as well as governmental effort to "keep the price of new land down". Tribute often was

paid to some good neighbor who had given practical advice and assistance.

#### Their Suggestions

The farmers seemed convinced that the land in each new project is likely to be different in some important respect from land on other projects and that the effect of such differences can be fully determined only by experience. One farmer suggested that some Federal or State agency get practical farmers to try out crops and practices on a new project before it is opened for general settlement. He did not have in mind the usual experiment station farm. He wanted the Government to furnish water and the use of the land free to a few good farmers and let them learn by actual experience under these new farming conditions the best method of handling water and of bringing the land under irrigation in different parts of a new project. This experience, he believed, would prevent the loss of I to 2 years of work by other settlers.

Most farmers were apparently convinced that a certain degree of learning by the trial-and-error method was unavoidable on new irrigated projects. A few said that land development by some agency before the time of settlement would be advantageous, but this view was not widely voiced.

The people recognized that considerable information and assistance had been available through the county agent's office even in the early years, but many settlers had failed to take advantage of these services. Most of the settlers thought that more technical assistance—such as could be supplied by county agents,

irrigation engineers, livestock specialists, and economists—would be particularly helpful during the first years. They thought new settlers needed technical assistance in laying out their farmsteads, in planning and installing irrigation systems, in deciding what crops to grow, and in irrigating and caring for growing crops.

The families mentioned the necessity for satisfactory roads. Their recollections concerning poor roads were associated with the troubles of getting children to school and in marketing, and less frequently with

the mere getting to town.

Those who had come to the project with little money suggested that settlers keep a few cows from the start, so they would have a small monthly cash income for buying groceries. Others cautioned against cultivating too much land the first year, particularly if experience and equipment were lacking. Others who had recently cleared additional new land said—in the words of one—that with their present experience and equipment it was "no trick at all to clear and put in an additional 40 to 80 acres" of new land in a year.

Opinions regarding the most important requirements for successful subjugation and settlement of new land on irrigation projects differ considerably among experienced settlers, but they indicated clearly that sufficient finances, proper equipment, and "know how," are among the primary essentials. They think that the settlement of new areas always involves much hard work, undoubted inconveniences, possibly some privation, but that those who pull through adequately feel a definite satisfaction.

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## ON British Farms

By L. F. EASTERBROOK. Veterans who want to go in for agriculture in Britain find that arrangements have been made for them but that a frank talk about farm life precedes training.

AFTER World War I there was a keen desire among many of those who had fought, to take up the farming life. That was the case in Britain. The life, of course, is not so idyllic as men, under the damor and misery and regimenta-

tion of war, are sometimes inclined to picture it. A few give it up on early acquaintance, others fail; but in Britain after 1918, quite a number made good under the land-settlement schemes for ex-servicemen.

Now again, the thoughts of men who have been fighting are turning to the land. But this time there is no immediate prospect of an official land-settlement scheme on any considerable scale for demobilized men. There is not the labor nor are there the materials to create the new holdings, even if suitable land not already occupied were available on a sufficient scale.

What is being done is to arrange a training scheme: (1) for those without agricultural experience to be trained at the Nation's expense for paid jobs on farms and (2) for those with some experience, or those without it who show particular promise, to be given more specialized training for supervisory jobs in farming.

Britain is arranging to train any number up to 100,000 under this scheme. They will be trained on selected private farms, officially supervised, and for this purpose will come under the care of the County War Agricultural Executive Committees. They will live either on the farms or in lodgings or hostels within reasonable distance. Wherever possible, accommodation will be found for the men's wives during the training period.

But some men will want to take farms on their own account, and will have the capital to do so. Naturally, they are not prevented from taking over any existing holding, but if they have no previous experience, they are being thoroughly warned of the snags and advised to get some practical knowledge, perhaps using the training scheme, before venturing on their own.

Farming is of all types in Britain, from the concern that requires \$100,000 capital or more to the family farm with only a few hundred dollars behind it. There are farms mainly devoted to cereals or to livestock; there are truck farms in the fertile areas, and fruit farms. But most British farms are mixed farms, specializing, for example, in milk

production but growing some of the feeding crops. Most of the farms are small, only about 15 percent exceed-

ing 150 acres.

A typical British farmer before the war would have had perhaps a dozen cows on 50 to 70 acres as his main source of income. He would have invested \$2,000 to \$5,000 in it, and with a few poultry and pigs to help out would have made say \$12 a week. In unlucky years he made a loss; in good years he made more; but the average was about \$12 weekly. No one knows what he is going to make in the transition period, but there is a reasonable expectation that it will be a little more than in 1939.

On the other hand, if the exserviceman takes on a hired man's job, he is guaranteed a national weekly minimum wage of \$14, and if he is any good he should be sure of \$16. If he is really good, he ought to be able to get \$18 to \$20, he escapes the worries of the man farming on his own, and he almost certainly will work shorter hours. But he won't

be his own boss.

#### Plain Talk

Ex-servicemen who are thinking of farming have the position put squarely to them. They are told that life in the country is very different from life in the towns and in some ways more lonely. But the social environment of the English system of villages, with houses for the local population grouped together around the church and the inn, with usually a village green or playing field for outdoor games and sports, and a village hall for dances, whist drives, cinema shows and so on, might make a Middle Westerner think the life a gregarious one. But there are not the shops or the amusements or the specially built cinemas; and cottages are often without the modern comforts such as electricity, gas, piped water, and indoor sanitation. Men thinking of this sort of life are told to make sure that their wives will be content with it.

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On the other hand, they are told that life on the land has much to offer those who accept its conditions. It is healthy and "out-of-doors"; there is not the same rush of traveling as in town; there is not a foreman at one's elbow, and the work is varied, changing with the seasons. For small farmers, it means independence, and for all it means the satisfaction of seeing the completion of the job they have started.

#### More Capital

As regards working capital for taking a small farm in Britain, more of it is required than in 1939, for most things are dearer—from cows to dairy buckets. Where a 200- to 250-acre farm might be taken on with \$12,000 to \$14,000 capital, or say \$60 per acre, a farm of 50 to 100 acres would probably need \$100 to \$120 per acre. Holdings of 4 or 5 acres for truck farming need the most—about \$200 to \$400 at the present time.

These are no more than generalizations. In Britain, as in the United States, there are always the men who have started with nothing and made good on the land. Many a hired man has begun with a sitting of eggs, hatched them out, sold the produce and saved the money until he could buy a sow, sold the litter, saved the money again and eventually scraped together enough to begin on his own.

# Rural Churches on Good AND Poor Land

By T. S. BUIE. This subject assumed sudden new significance when an economist declared that in his work throughout the country he found many rural churches actively supporting the constructive forces in what he termed the race between Time and Catastrophe in the making of the peace.

OUR PEOPLE within the past decade have awakened as never before to their dependence upon the land. This is true in city as well as country. In large measure the awakening has come through the educational and action programs of Federal, State, and local agencies. Then the heavy demands for food and other products of the soil in the prosecution of the war have intensified the people's interest.

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Soil must be protected and saved, not for the purpose of holding it as such but that we may have an abundance of agricultural products and that the people who wrest their living from the soil may be better fed, better clothed, better housed, and better able to contribute to the institutions that should serve them. Worn-out eroded farms cannot compete with high-producing units nor can communities composed of such farms support social institutions that are equal to those on better land, or that are in keeping with the needs of their own people.

To evaluate in economic terms the relationship between the productive-

ness of land and the support of rural churches as a leading local institution, a study was made by the Soil Conservation Service of 222 rural churches of the Upper South Carolina Methodist Conference, located almost exclusively in the Piedmont section. Damage from soil erosion there ranges from moderate to extremely severe. Technicians of the SCS who were familiar with local land conditions, classified the 222 churches into three groups, according to the condition of the land in the community surrounding each church: A-Moderately eroded areas, 47 churches; B-Areas ranging from moderately to severely eroded, 80; and C-Areas where the surrounding land was severely eroded and mostly unsuited for cultivated crops, 86 churches.

Information as to the membership and attendance at the regular services was obtained from the resident pastors. Annual Conference reports for the years 1939, 1940, and 1941 provided information on contributions.

The average membership per church ranged from 160 for the 47 churches in the area of moderately eroded land to 132 for the 80 churches in the moderately to severely eroded areas, and to 105 from the 86 churches surrounded by severely eroded land. Thus there is evidence of a direct relationship between the size of the church membership and the severity of erosion in the community of the church. Abandonment of localities is reflected in

smaller congregations. Rural folk of the Southeast are fundamentally church-going and, on the whole, they support their churches by attending the services and by money contributions to the extent of their ability. The survey showed that the percentage of members attending services was nearly as large for the churches on the most eroded land as for those where the land retained more of its original productiveness. The range from 40 to 46 percent-in rounded figureswas not significant. As measured by attendance the members of churches in the most eroded localities are just as interested as are those who live and work on less eroded land.

#### Erosion Defeats

A definite inverse ratio was found. however, between the contributions to a church and the extent of erosion of the land surrounding it. The 3-year average contribution to the churches ranged downward from \$1,135 for the A group of churches to \$762 for the B group, and to \$533 for the C group. These differences were determined to be statistically significant.

Farm families who live on the more severely eroded land have less to divide with their church, so the contributions are smaller but the de land is crease in per capita contributions is ities ha not nearly so great as the decrease in capable total contributions because the people are fewer in these churches, Average annual per capita contributions for all purposes were \$7.09, \$5.78, and \$5.08 for groups A, B. and C, respectively.

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Contributions for building and repairs, Sunday School, Women's Missionary Society, benevolences, and support of an orphanage likewise varied directly with the condition of the land: they averaged \$559 yearly in each church on the best land; \$373 for each church in localities that are only moderately eroded, and \$225 for those where erosion is most severe.

Contributions for the support of the pastor show consistent variation in accordance with the erosion condition. Where erosion was least, the pastor's average annual salary was \$431 from each church. In the B group, it approximated \$300; but pastors serving churches on the most severely eroded land received, on an average, only \$241 a year from each church-less than \$5 a week. All these low incomes necessitate the grouping of churches-sometimes as many as six-under one minister, with consequent reduction in service. The small contributions, especially where the poorest and most eroded

### Their Own

They love their land because it is their own and scorn to give aught other reason why.

-FITZ-GREENE HALLECK

#### To Strengthen

According to general church leaders in the South, one of their greatest problems is the economic condition of the rural churches. Because the welfare of these rural churches is so vitally related to the welfare of their constituent members, if there is to be improvement it must come through strengthening the status of the people who make up the membership. They are coming to realize that one of the best ways of accomplishing this end is through a more efficient use of the soil resources.

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The signs are encouraging. Those who prepare training programs for rural ministers are asking agricultural workers to discuss sound land use in the course of the training. In turn, these leaders and farmers are working more closely together to develop a better understanding of their mutual problems.

#### Stewards

Another encouraging sign is that church leaders in the Southeast have become deeply concerned over erosion. At one of the few general rural life conferences held in the Southeast—Columbia, Miss. in 1943—a principal objective was "to enable farmers to recognize their obligations as stewards of the soil." This phrase "stewards of the soil" certainly expresses a sound attitude toward the land.

Further recognition of the need for this kind of attitude was given

### Consequence

The people of a land reflect that land. And people with pinched faces and hopeless spirits have no excitement in freedom and security and the dream of democracy.

-CLARE LEIGHTON

at last year's State-wide rural life conference conducted by Governor Thomas L. Bailey at Jackson, Miss. More than 1,800 religious and agricultural leaders attending this conference took part in an impressive church service dedicated to the seed, the soil, and the sowers. This dedicatory service, developed by the Reverend James W. Sells, Methodist pastor of Crystal Springs, Miss., is now being used by many churches of several denominations.

#### Resolution

Later, at the quadrennial conference of the Methodist Church at Kansas City Governor Bailey introduced a resolution which said in part:

"Human welfare depends upon the proper use of the soil and other natural resources. Accordingly we call upon our people to recognize their responsibility to God for the conservation, the development, and the right use of the total resources of a rural community." The resolution was adopted unanimously.

To the extent that this philosophy is accepted and applied, the land, the people, and the churches will be safe and will be in position to help safeguard others.



### **Books**

Sixty Million Jobs. By HENRY A. WALLACE. Simon and Schuster. New York. 83 pages.

AN UNCOMMON MAN: HENRY WALLACE AND 60 MILLION JOBS. By FRANK KINGDON. The Readers Press. New York. 98 pages.

HENRY WALLACE'S book is essentially a statement of what he believes is the next major job of the United States if it is to keep currently in effect the fundamental pattern on which the Nation was built and by which it has developed.

That program is full employment; for the years immediately ahead—

sixty million jobs.

What gives Mr. Kingdon's "An Uncommon Man" its greatest interest is its documentation of the typically American background and experience out of which Mr. Wallace's program and philosophy developed: The grandfather and father who preceded and influenced him as leaders in the lowa farm community with its catastrophic economic shifts. His own early interest in the family farm journal and in successful experimentation with and marketing of improved seed corn. His active entry into national politics and how character and experience combined to make him the country's leading exponent of his present position.

That position is most effectively stated in Mr. Wallace's own presentation. In brief, he contends:

That political democracy cannot long withstand extensive, chronic unemployment because the hopelessness it would engender would find no continuing grounds for faith in

that democracy and it would readily support political cure-alls.

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That economic democracy is in no way incompatible with full employment; that, in fact, full employment signifies the very opposite of Government operation of business. It will be achieved, primarily, through the initiative and intelligence of private enterprise, once certain essential aids and assurances have been provided through Government action. These comprise, first, aid where extraordinary risks exist, especially early ventures into new fields. (He points out that our Government has always provided such aids, for example, by the Homestead Act, by subsidizing the railroads, shipping, aviation. For today and tomorrow, equivalent "backlogs of employment," would be aid to housing, rural electrification, soil conservation, more river valley development, etc.). The second essential assurance is a continued, steady market for our products. (Here, too, a whole series of considerations is brought up: essential need for steady consumer purchasing power, a "two-way international market" as a stabilizer, tax policy geared to encourage production and adaptable to the particular problems of a given time, incompatibility of full employment with cartels which tend to benefit from

searcity, and withholding of inven-

That full employment is cheap, unemployment ruinous. Mass unemployment would again require huge Federal relief expenditures. Full employment would furnish a national income large enough to susuin an adequate tax program and an adequate demand for privately produced goods to keep the economy in balance.

That it will take general support at the grass roots, much hard thinking about methods, and character, to put a program of full employment

into effect.

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Mr. Wallace believes he has ample evidence that the grass roots are prepared to deal with local aspects of the program, but the complexity of the National scene is such as to call for the utmost in understanding and effort.

As for the public program to serve as stimulus and stabilizer, it calls for:

The annual submission to Congress by the President of a National budget, that is, a budget dealing not

alone with Federal Government income and expenditure but with the estimated income and expenditure of consumers, of business, of State and local Governments, as well as the Federal Government.

Such adjustments as might be indicated by budget estimates in tax policy, programs for stimulation of private employment, public works,

3. Elimination of cartels.

4. Stimulation of research by the establishment and support of a Central Technical Authority of the Federal Government, and rules which would make its findings available to all who could use them to expand business enterprise.

"The danger," says Mr. Wallace, summarizing alternatives, "is that we shall not appreciate the all important fact that it will be fully as difficult, fully as demanding of our patriotism, to win the peace as it was to win the war . . . That . . . danger we can avert only by realizing the price we shall have to pay if we fail."

-Frieda S. Miller

TIN HORNS AND CALICO. By HENRY CHRISTMAN. Henry Holt and Company. New York. 377 pages.

LESS THAN a century ago a few families, closely intermarried, ruled in kingly splendor over a feudal empire of 300,000 people occupying nearly 2 million acres in the fertile Hudson Valley. The persistent and ultimately triumphant struggle of these landless people against their feudat-like landlords is the theme of this sturring dama of a critical period

in the evolution of some of America's most precious landed institutions.

The patroon system of land holding established in New Netherland by the Dutch in 1629, proved equally lucrative to the British who took over 35 years later and almost outdid their predecessors with big estates and exploitation of the tillers of the soil. Thus, the British names of

Morris, Jay, and Livingston are found along with those of Van Rensselaer, Verplanck, and Schuyler as eminent landlords of the Hudson

River country.

Terms of the "durable lease" or "incomplete sale" under which land was occupied by tenants, provided for annual rents in the form of dues and services to the landlord who in case of sale retained the option of collecting one-fourth of the sale price or recovering full title to the land at three-tourths of the market price. The system hung together for two centuries mainly because only a few landlords collected the dues and services. In 1830, Stephen Van Rensselaer, "The Good Patroon", died and his heirs set about to collect hundreds of thousands of dollars in back rents.

This reversal of policy meant bankruptcy and dispossession for hundreds of well-to-do farm families who had been hard at work improving the land for generations. To save their farms and homes, farmers disguised in calico costumes as Indians—symbols of the Boston tea party and original ownership of the soil—forcibly halted the eviction of their neighbors. Tin dinner horns reverberating across the valleys of the Hudson countryside, warned that the hated landlords' emissaries were approaching.

On July 4, 1839, the tenants in mass meeting resolved in writing "we will take up the ball of the Revolution where our fathers stopped it and roll it to the final consummation of freedom and independence of the masses." Their action clearly dem-

onstrates that when their farms and homes are at stake people will fight for them if need be, even though institutions are trampled underfoot. The Lexington and Concord farmen of Revolutionary days, the vigilant committees of the Midwest pioneer era, the farmers of the Hudson country in the 1840's, and the Iowa farmers of the early 1930's all protected their homes, with force if necessary, when endangered.

After 7 years of strife often flaming into open warfare and bloodshed, democracy triumphed over feudalism when, in 1846, New York's revised statutes prohibited agricultural land leases for a longer period than 12 years and outlawed annual fines, services, quarter sales, and similar restraints upon land transfers.

This is a fast moving and factstudded story of a little known epoch in our history. It is stimulating, entertaining, and informative reading for those interested in the growth of democracy and the development of landed institutions. For the social scientist it is an excellent model of how facts and statistics gleaned through painstaking research of newspapers, court records, handbills, books, letters, and discussions with direct descendants of history maken may be woven into an analytical yet interesting story which many people will read and remember and most of them will enjoy.

The narrative is pleasantly supplemented with many illustrations and anti-rent songs and ballads, and a comprehensive bibliography.

-John F. Timmons

as and FOOD OR FAMINE: THE CHALLENGE OF EROSION. By WARD SHEPARD. The MacMillan Co. New York. 225 pages.

MANY PEOPLE should read this book, particularly those who won't like it. The author's thesis, stated and restated tenaciously and with vigor throughout the book, develops forcefully into a demand for a comprehensive integrated land management program in its broadest aspects, carried out by a "unified administrative - planning - construction agency with full powers to do a full job." This is another welcome demonstration that large orders can be written in small volumes. How not to be gone with the wind and water is the import of Mr. Shepard's compact and dead-serious contribution to the improvement of world welfare.

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Most of the facts, many of the arguments advanced, are not new. Through eyes, lungs, and pocketbooks the awesome effects of erosion and careless use of land have filtered into many brains. With war now curbed as man's direst extinction threat (we hope), the battle to preserve the crucial 18 inches of the earth's top crust that keeps man out of a bed-rock gutter is just beginning. It will require all the coordinated research, cooperative planning, and sustained effort that a war-weary democracy can muster. The author deals resolutely with irresponsible land use and with needed public controls on such use. He reconciles these controls with private enterprise and shows the way toward demotratic participation in planning and development. He assesses the promise of watershed planning and valley authorities and he does not obscure the lags and limitations. He endorses the decade of effective work of the Soil Conservation Service and to an enlarged and strengthened agency of the same type he would assign an over-all planning responsibility for the nation's land conservation pro-

gram.

The author questions that private enterprise, unaided and uncontrolled, has either the organization or the finances to do the critical job of land management that must be done if man's present wanton treatment of his vital land resource is to be stopped. But he would meet private enterprise half way, challenge its sense of social responsibility and cut it in on the profits, somewhat as such enterprise has been met, challenged and remunerated in the State Soil Conservation districts. He would acquire as a public trust for rehabilitation the worn-out and low-grade land, he would establish a land reconstruction work corps to improve it and to provide supplementary work and wages to low-income land workers, and he would provide technical advisory service to all operators on how to use farm, timber, and grazing lands conservatively and with profit. He would finance this program not by annual deficit financing but in part by a capital financing plan which would segregate current operating expenses from long time capital investment and in part by effective systems of contractual credit to private land-users.

The arresting portion of the book is the discussion of watershed management and valley authorities. Here is where most reader disagreement will probably arise. But agreed or not, this section demands immediate and strict attention. Using TVA enthusiastically both as springboard and as example, Mr. Shepard reviews the critical problems attending the development of integrated watershed use and reduces them to basic issues: (1) The conflict of such Valley Authorities with old-line functional agencies, (2) the matter of local representation in watershed authorities, and (3) the need for national coordination of such authorities-all problems now looming as stormy national crises. For the first he prescribes the clear demarcation of existing agency function and Congressional definition and directive in the enabling legislation establishing Valley Authorities; for the second, a "Watershed Congress" made up of local representatives with advisory powers and pressure sanctions, and for the third an over-all national planning agency with longer teeth than those of TVA and stronger ones than were given to the National Resources Planning Board.

The book can be read in an evening; its contents will provide philosophic, economic and political tinder

for years to come.

-lohn H. Provinse

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AGRICULTURAL PRICE CONTROL. By GEOFFREY S. SHEPHERD. The Collegiate Press, Inc. Ames, Iowa. 361 pages.

AS THE AUTHOR himself says, this book deals almost entirely with price floors and there is only scant reference to ceilings which, it is assumed, will soon vanish.

As for the author, Geoffrey Shepherd is well qualified to consider the question whether it is either desirable or necessary that the Government should aid farmers by supporting agricultural prices, especially as it relates to feed grains and livestock. Shepherd has had an excellent chance to observe farmers, farm leaders, and the so-called action programs and their administrators, both as a member of the staff at Iowa State College since 1925 and as an occasional consultant to the Commodity Credit Corporation, Bureau of Agricultural Economics, and Office of Price Administration since 1941.

The result is a book that contains a great deal of material which should be of value to those whose special interest lies within the price field. But since the general reader will be more interested in the conclusions than in the economic and statistical detail and since the author has stated his conclusions in his own italics, this review concerns itself with the conclusions alone or, more precisely, with the "practical lessons" which Shepherd feels the activities of the last 15 years have demonstrated.

Storage programs, which merely put products into storage at one time and take them out at another, can stabilize prices but cannot raise their level over a period of years. It seems to the reviewer, however, there are conditions where storage operations which assist farmers in carrying for-

ward supplies for some time could result in a greater farm income than would otherwise be realized even though the average level of prices might not be raised, while the author himself recognizes that there is also a good argument for stabilizing the year-to-year flow of feed into actual use in connection with his second conclusion:

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The different farm products require different price programs. As a general rule this is the first argument used by most commodity groups to advance their own special interests. Shepherd, of course, does not intend it this way and his actual argument is that there are different dasses of farm commodities which call for different approaches—that supplies of corn and other feedstuffs, for example, should be stabilized he while in the case of perishable crops it would be better if annual returns to farmers were stabilized.

Agricultural prices cannot be ald raised or lowered over a period of years merely by announcing higher or lower price floors. They can be mised or lowered over a period of years only by operations which control agricultural production, or the iemand for farm products, or both. Agreed.

Efforts to raise agricultural prices ly, by reducing agricultural production

have not borne much fruit; and if they had succeeded, they would not have had much effect on farm income . . . but . . . efforts to control agricultural prices by controlling the demand for agricultural products have borne some fruit. Although the reviewer agrees with the reasoning behind these conclusions, the first one seems to understate what has been accomplished while the second one has not as yet been adequately tested. That is, there has not as yet been an aggressive all-out effort to bring about a controlled increase in demand.

Agricultural price control is a dangerous tool, but probably it will continue to be employed. Agricultural price control is a dangerous tool but it is also an equally useful tool and one that is likely to be used to an increasing extent. Administrators will get into difficulties, pressures will force activities which are too costly or ill conceived, and activities of a considerable number of farmers and tradesmen will occasionally be restricted. Shepherd concludes, however, that price-control activities in agriculture constitute a gigantic economic laboratory and medium for mass education in economics and that on the whole, the end result will be generally beneficial.

O. V. Wells

### **Buy Victory Bonds**

NEW CROPS FOR THE NEW WORLD. Edited by CHARLES MORROW WILSON. The Macmillan Company. New York. 295 pages.

NO ONE can fail to find some interest in reading New Crops for the New World, a collection of 16 contributions by 14 writers introduced by Charles Morrow Wilson, and no one can fail to be pleased with the book's 75 photographs excellently reproduced on 32 plates. It is a volume of striking variety both in content and manner of presentation.

If plants do not attract a reader's interest he can read about "The Fashioning of Livestock Breeds," by Albert O. Rhoad, or about silkworms in George E. Adames' "Silks from South America." If farming is not his reading concern he may find that Arthur Bevan's "Forest Resources of Tropical America" is. Even if no particular crop appeals to him as a subject of reading he may find C. P. Clausen's "Biological Control of Insect Pests" very fascinating.

If the descriptive catalog presentation used rather popularly by Wilson Popenoe in "The Undeveloped Field of Tropical Fruit" or more soberly by E. C. Higbee and Atherton Lee in "Drug and Medicinal Crops" does not appeal to him as a style of writing, perhaps B. Y. Morrison's two contributions on "Flowers for the New World" and "American Plants for the Americas" will please him as smoothly flowing presentations of facts in the conversation-like style of an authority on the lecture platform. If he enjoys the skillful use of chronology he will appreciate Walter N. Bangham's topical narrative entitled "Rubber Returns to Latin America." Nearly everyone will value the style of the geneticist Edgar Anderson CONF writing on "Maize in the New World" with as much familiarity for his lay reader as for his subject matter. And there is a charm in George E. Adames' way of relating silk culture to a prospective Brazilian seri-Georg culturist and daughter Yolando. move "Come, minha filhinha, show us the pretty dress," Senhor Fernando says either in Adames' opening words.

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For general readers New Crops for the New World is certain to be of the a great value throughout, and for them it has the spice of variety. Prospective growers of these crops and students of plant introduction will find it to have a great deal of interest, but its full value for them will depend on how their particular concern has been treated and whether their reading will suffer from the vice of variety which this symposium shares with many others. The book's peculiar worth is likely to be in developing still further a public consciousness of the interdependence of the peoples of all nations and their common dependence on the products of agriculture. As Mr. Wilson persuasively writes:

"As never before, all the Americas are as one, and the good of each is inevitably the good of all . . . the new crops for the New World are important to every one of us . . . For no one of us can live without the harvests from earth, and no nation is likely to flourish without the benefits of a good and ever-improving agriculture."

-Howard Zahniser

ON CONFRONTING THE LAND QUESTION. By JACKSON H. RALSTON. American Association for Scientific Taxation. Bayside, New York. 104 pages.

rge THIS BOOK represents an effort by a long-time follower of Henry eri- George to reexamine the single-tax do movement. It is noted that "with us the general public Single Tax is ays either the object of pronounced aversion or at best a want of interest is for manifest." In a rather brief space of the author gives much information em on some of the attempts to put nto effect single-tax doctrines. He stu- claims credit for the single-tax moveind nent for the adoption of initiative but and referendum provisions in a numon er of States. een

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The author finds several instances f modifications in the traditional iety roperty tax which he feels are in the direction of the single tax. But e specifically recognizes that "the ing reform steps have been too slight to s of lave had the influence the Single oles Taxer would desire."

One of the weaknesses of the typial single tax presentation shows up in the argument that the exemption from taxation for limited periods of www construction results from lessons taught by Henry George's Progress and Poverty. This position rests in part on an implied assumption that property taxes are levied in a vacuum. Exemption of certain property does not mean that the equivalent in taxes anishes. In ordinary practice the taxes simply are shifted to the remaining property on the tax roll. The burden is not lifted from the economic group but is merely shifted about within the group. There is an implied recognition of this point in the discussion of the relation between the value of farm land and the value of the improvements. But the full implications are not developed.

The book closes with the author's program for bringing eventual success to the single tax movement. Twelve steps are listed. Very logically they begin with a recommendation for more adequate statistical work in the field. What follows next is not a series of chronological steps but rather a series of restatements of specific applications of single-tax doctrine. For example, natural resources such as forests, water-power sites, and minerals should be under community management, and tax-reverted land should be retained in public ownership. Then come a general recommendation for a study of constitutional and legal obstacles to action in the various jurisdictions, and a specific recommendation for modifications in intiative and referendum statutes so as to facilitate overcoming such obstacles. And finally there is a plea for a more adequate educational program for advocates of the proposed reform.

-Gerhard I. Isaac

Today, America has become one of the most powerful forces for good on earth. We must keep it so. We have achieved a world leadership which does not depend solely upon our military and naval might. We have to fight with other nations in common defense of our freedom. We must now learn to live with other nations for our mutual good.

-HARRY S. TRUMAN

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